TO: Mayor & City Council
FROM: Tom Williams, City Manager
DATE: March 17, 2017

RE: WEEKLY ISSUES UPDATE

BUILDING AND OCCUPANCY PERMITS:

Building permits were issued to:

1. Taylor Morrison, developer for the construction of three (3) buildings at Prynt, in a 25 townhomes style condominium development, including 5 live/work units located at 75 South Milpitas Boulevard at an estimated construction cost of $5.5M.
2. Dick’s Sporting Goods, for the tenant improvement of a new sport equipment retail store at Great Mall at an estimated construction cost of $1.4M.
3. Summerhill Apartments, for the demolition of (4) buildings in preparation for the future, 694 multi-family units residential with commercial development located at 1500 Centre Pointe Drive at an estimated construction cost of $592,080.
4. Anton Building Company, for soil improvement to support 7 story parking garage for the future two 582 multi-family units residential development located at 750 East Capitol Avenue at an estimated construction cost of $580,000.
5. AAA Insurance, for tenant improvement for their new office in Milpitas town center located at 607 East Calaveras Boulevard at an estimated construction cost of $219,800.

Building permit application was submitted by LPA Inc., for site improvements around (3) buildings located at 880, 880, 940 North McCarthy Boulevard at an estimated construction cost of $500,000.

Occupancy permit applications were submitted by six new businesses moving to Milpitas:

1. VDL Enabling Technologies Group, manufacturing services for semi-conductor equipment business moving from Fremont to 1880 Milmont Drive.
2. Hope Dental Lab, a dental lab located at 1351 Jacklin Road.
4. Kawailehua Polynesian Cultural Center, center to provide Polynesian shows and cultural education for parties located at 180 South Hillview Drive.
5. ZYXY, Inc., a software development company located at 870 North McCarthy Boulevard.
6. Cosmos Trading Inc. / Austin 5, a women’s clothing store located at Great Mall.

The following business has received final inspection and is now open for operation; My BBQ Inc., Chinese BBQ restaurant located at 1708 North Milpitas Boulevard.

CONSTRUCTIONS UPDATE:

Traverse, 206 residential units townhome development by K. Hovnanian located at 569 Trade Zone Boulevard: One more unit was finalized at the development, 156 homes are now occupied, 4 are models and 44 are in various stages of completion. See photo to the right.
Fire located at Fontainbleu Avenue: The Building and Safety Department responded to a request for a fire incident in kitchen at the residence located at Fontainbleu Avenue. The inspector posted the building with a restricted use sign allowing entry only with an escort to obtain personal belongings. See the photo to the left.

Semi, Inc. located at 673 South Milpitas Boulevard: To allow earlier start of operation, a temporary occupancy permit was issued to Semi, a semiconductor manufacturing company for their headquarters moving to Milpitas.

Smart & Final Grand Opening located at 401 Jacklin Road: Celebrated their Ribbon Cutting Ceremony on Tuesday, March 14, 2017; Vice Mayor Grilli was the guest of honor at their ribbon cutting ceremony. Please see photos below.
Smart & Final Extra! Officially Opens at Former Nob Hill Site – On March 14, 2017, Smart & Final Extra!, in partnership with the Milpitas Chamber of Commerce and the City of Milpitas, held a ribbon cutting ceremony in honor of its March 15th much anticipated grand opening. Uniquely positioned to offer time and money savings for both household and business customers, this Smart & Final Extra! Store includes a sushi chef and restaurant-quality sushi, expanded fresh and frozen products, organic and natural products, bulk foods, oven-roasted chicken and many other items sold in convenient sizes. The new Smart & Final Extra! store is conveniently located at 401 Jacklin Road, Milpitas, CA. The Smart & Final Charitable Foundation also provided donations of $2,500 to Spring Valley Volunteer Fire Department and Second Harvest Food Bank for their services to the Milpitas community.

FlexFactor Workforce Development Initiative Completed – On March 16, 2017, the City of Milpitas Economic Development section of the City Manager Department, together with Milpitas Unified School District, NextFlex, Flex, and Evergreen Valley College concluded an unprecedented month-long entrepreneurship program that exposed Calaveras Hills High School students to the vast range of professional opportunities within advanced manufacturing. Students successfully worked in teams, guided by a NextFlex mentor, to develop and pitch a business model idea associated with an advanced manufactured human health or performance-monitoring device. Each team delivered a 5-minute Shark Tank-style pitch during which each team presented their product and business model to a six-member panel made up of representatives from Flex, NextFlex, Milpitas Unified School District, and Evergreen Valley College.
ICSC Idea Exchange – The City of Milpitas Economic Development section of the City Manager Department recently attended a two-day regional conference presented by the International Council of Shopping Centers (ICSC). ICSC Idea Exchange connects attendees to retailers, brokers, developers, and financiers from around the country to promote opportunities for deal-making and networking. Economic Development Staff successfully met with brokers and potential businesses in an effort to recruit them to the City. This year’s conference featured keynote speaker Sarah Quinlan, Senior Vice President and Group Head of Market Insights for MasterCard Advisors, who discussed Triggering the Modern Consumer and the catalysts driving modern consumerism. Other program highlights included breakout session topics relating to property development, Hispanic markets, and P3 retail, and a Retailers’ Runway showcasing grocers, soft goods retailers, service providers, and restaurants.

POLICE DEPARTMENT UPDATES: On Tuesday, March 6, 2017, one of our own, K9 Jax, passed away unexpectedly at the age of five (5) years old due to an unforeseen medical condition. Jax and his partner, Officer Ryon Lawson, had been members of the Milpitas Police Department K9 Unit since 2014, serving in the Field Services Division. Jax made an immediate impact on crime upon hitting the street. On his second day as a police service dog, Jax located a weapon used in an attempted armed robbery. A year later, Jax assisted in the search of a suspect who led officers on a vehicle pursuit. Jax searched for 2½ hours and found the suspect hiding in a backyard. Officer Lawson and Jax were ambassadors to the Milpitas Police Department, attending numerous public and school events throughout the City making positive contact with schools, children, and family members. Jax will be sorely missed. Please see photos below and to the right.
On Wednesday, March 15, 2017 at 6:00 p.m., Captain Daryl Sequeira, Lieutenants, and a Public Safety Dispatcher attended a meeting at Ilara Apartments located at 1201 South Main Street. The purpose of the meeting was to address concerns over the recent homicide that occurred in the parking garage on February 10, 2017. Staff gave a brief review about what happened, how the 911 system works, the importance of reporting a crime, social media outreach, community engagement, and how the residents properly helped with the homicide investigation. Staff passed out social media flyers with instructions on how to register for Nextdoor, and the Police Department's camera registry program. There were about 30 people in attendance including residents, property management, and regional members.

HUMAN RESOURCES DEPARTMENT UPDATE: The HR Department hosted their New Employee Meet and Greet on Wednesday, March 15, 2017 to welcome recently hired employees to the City. We introduced 16 new employees to a full house at the Senior Center!

CURRENT EMPLOYMENT OPPORTUNITIES: Human Resources is accepting applications this week for the following employment opportunities:

Open Competitive Opportunities:
- Assistant Water System Operator
- Building Inspector – continuous
- Buyer
- Communications Dispatcher - continuous
- Human Resources Technician

Temporary Opportunities:
- Adult Crossing Guard
- Fitness Instructor
- Head Swim Coach
- Lifeguard (sign-ups for the Lifeguard Academy!)
- Recreation Leader: After the Bell Program
- Recreation Leader: Building Attendant
- Recreation Leader: Referee
- Recreation Leader: Clerical

Internship Opportunities:
- GIS Intern
- Aquatics and Fitness Intern
- Graphic Design Intern
- Human Resources – Social Media and Outreach Intern
- Public Works Intern

EMPLOYEE TRAINING OPPORTUNITIES:
Upcoming Training Seminars. Contact Human Resources (408-586-3086) to RSVP
- Webinar: Prop 64 – Adult Use of Marijuana Act (AUMA) – Employment Considerations Tuesday, March 21, 2017, 2:00 p.m. – 3:00 p.m.

UPCOMING MEETINGS:
Tuesday, March 21, 2017 – Regular Council Meeting @ 6:00 pm, Council Chambers
Wednesday, March 29, 2017 – 1st Study Session Special Meeting @ 5:30 pm, Council Chambers
Monday, April 3, 2017 – Ad Hoc Subcommittee on Marijuana @ 4:00 pm, Committee Conference Room
Wednesday, April 26, 2017 – 2nd Study Session Special Meeting @ 5:30 pm, Council Chambers

UPCOMING EVENT:
Commissioners Recognition Luncheon, April 29, 2017 at 11:30 a.m. at the Milpitas Community Center
Bob McGuire Park Meeting to Discuss Parking: Approximately 50 people attended the community meeting at Bob McGuire Park to discuss neighborhood parking issue on March 13, 2017 from 6:30 p.m. to 9:00 p.m. City staff presented information on current developments, entitled developments, ultimate street layout in the surrounding area, and Milpitas BART station. During open discussion, attendees voiced they face limited parking supply within their developments and on public streets in the neighborhood, requested the city to look into creating a greater parking supply in both short term and long term, and request the city to reevaluate parking ratio for new developments.

BART Construction (at nearly 90% complete) will create intermittent traffic impacts in the following areas:

- **Montague Expressway**: Montague Expressway now has a street-level bridge that will pass over future BART that is in a trench below. To minimize impacts to the travelling public during peak commute hours in the AM and PM, all lanes will be open. The contractor for the County’s Montague Widening project, OC Jones, has completed their second stage of construction and they partially reopened South Milpitas Boulevard on February 5, 2017 for “right-in, right-out” only. For this 3rd phase of construction, there will be no left turns from or onto Montague Expressway.

- **Capitol Avenue**: SSH recently completed their final reconstruction of Capitol Avenue. This allowed another VTA contractor (C671) to shift the two northbound lanes easterly, so their work on the Light Rail station in the median can proceed.

- **Dixon Landing Road**: SSH will periodically require single lane closures during the off-peak hours for other remaining work. A new left-turn lane, from southbound Milmont Drive, was installed through the median in order to provide an alternate access to the “7-11” shopping center. This will be removed and the median will be restored, now that the alternate “7-11” driveway on Dixon reopened in mid-March 2016.

- **Piper Drive**: One lane in each direction was re-opened to the public since May 2, 2014. Single-lane closures may periodically be required to allow final improvements to the roadway and the at-grade UPRR crossing.

Design & Construction

Projects Impacting the Public:

- **Alviso Adobe Phase V – Interior Restoration (CIP 5055)**: This project provides for the restoration of the first floor of the Alviso Adobe. A design contract was approved by the City Council on August 16, 2016. The Concept design was approved by PRCRC on February 6, 2017 and recommended to be presented to the City Council. It will be presented to City Council in April, 2017 for approval.

- **Street Light Improvement Project (CIP 4266)**: This project provides for various improvements to renovate and replace some of the aging street light infrastructures. As part of this project, a number of existing street lights will be converted to energy efficient Light Emit Diode (LED), in a pilot program. The initial phase of the pilot program was completed in early September, 2014. 1,000 LED street light fixtures have been installed at various streets in the City. Anticipated annual energy savings is approximately $54,000, per year, as a result of this project.

- **Marylinn Drive Sanitary Sewer Replacement (CIPs 6115 & 6116)**: This project provides for the replacement of a 27” & 30” diameter sanitary sewer pipeline along Marylinn Drive and under I-880. The consultant is proceeding with a CIP design to line the existing pipes as a cost savings measure. 50% design plans were submitted and reviewed. Staff reviewed and responded to the 90% design documents. Once staff obtains permits from Caltrans, SCVWD, and California Department of Fish and Wildlife the project can be issued for bid advertisement.
• **Milpitas Sports Center Pool Repairs (CIP 3408):** The project repaired and resurfaced three sports center pools. Construction was completed on time and within budget on May 5, 2016. Council approved initial acceptance of the project on September 20, 2016, and the project is in the one-year warranty period.

• **Light Rail Median Landscaping (CIP 2001):** This project provides for landscape improvements within the medians along Great Mall Parkway, from I-880 to the southern City limits. The new landscape will be irrigated with recycled water. The project was advertised in October and two bids were received. The construction contract was approved by City Council on December 6, 2016. The Notice to Proceed was issued to the Contractor on 2/14/2017. Work started in February.

• **Dempsey Road Water line Replacement (Projects 3709, 7100 & 7118):** This project provides for the replacement of portions of the water main and storm drainage line along Dempsey Road, between Yosemite Drive and Calaveras Boulevard, and depending of funding will install a recycled waterline along the alignment. The design of the storm, water and recycled lines is underway. The designer is preparing the 98% plans which includes incorporation of the City’s comments on the 50% plans. Additional field investigation is necessary to identify potential conflicts with the existing utilities, therefore, the 98% plans are now scheduled to be ready for City review in April. Permit applications have been prepared and submitted for review by the various agencies impacted by the project. In addition, the designer is preparing the documents needed to obtain the required easements for the project.

• **237/McCarthy Boulevard Median Landscaping (CIP 4274):** This project provides for median landscaping and irrigation, for the medians at the 237/McCarthy Boulevard Interchange. A Funding Agreement, between VTA and the City, was executed in 2012 to provide funding for this project and to allow VTA to administer the construction. The creation of a new CIP project, with additional funding, will be needed to construct this project. City staff is assisting VTA with the preparation of final plans and obtaining permits for the work on the McCarthy Boulevard medians from Ranch Drive to Bellew Drive. Staff is working with VTA to develop the project schedule for advertisement and project construction. VTA plans to bid the project in spring of 2017.

• **Higuera Adobe Park Renovation (CIP 5097):** This project provides for the renovation of the picnic area and replacement park play equipment. Parking lot surface improvements and ADA access improvements are also included. Start of construction was March 1, 2017 with anticipated completion in early August 2017.

• **Bridge Improvement Project (CIP 4271):** This project provides for the repair and resurfacing of City-owned bridges as identified by Caltrans as deficient and in need of maintenance. Construction is complete, the project was accepted on February 7, 2017, and is in the 1-year warranty period.
- **Wrigley-Ford Creek Erosion Repair (CIP 3700 & 3706):** This project provided repair of erosion damage to the Wrigley-Ford creek riparian mitigation area. Construction is complete. Project was accepted by the City Council on November 15, 2016 and is in the one year warranty period.

- **Cathodic Protection Improvement – Main Sewer Pump Station (CIP 7115):** This project provides for the installation of corrosion protection for the sewer force main system within the Main Sewer Pump Station at North McCarthy Boulevard. The project will also evaluate the City-owned sewer force main system between the Main Sewer Pump Station, at North McCarthy Boulevard, and the San Jose Wastewater Treatment Plant, at Zanker Road. The evaluation is an update to the City’s 2012 Annual Survey and Cathodic Protection Condition Assessment. Bid package for advertisement for work within the Main Sewer Pump Station is being prepared.

- **McCandless Park (CIP 5102):** This project provides for a new public park, adjacent to the new Milpitas Unified School District Elementary School, located on the east side of McCandless Drive, south of Montague Expressway, in the Transit Area. The park will provide approximately 4 acres of City public park space which will include play fields, athletic courts, parking, picnic area, play structure, and restrooms. City and school staff continue to coordinate project related issues including construction of a pedestrian bridge over East Penitencia Creek and a groundwater well on the new park. The City Council approved contract agreement with park designer on February 21, 2017. Design phase is anticipated to start in mid-March 2017.

- **New Midtown Street Light Project (CIP 3430):** This project provides for the phased installation of Midtown standard decorative street lighting along South Main Street from Carlo Street to Great Mall Parkway. The first segment of lighting design and installation will be from Carlo Street to just north of Corning Avenue. The engineering design phase has commenced in January 2017 for Segment 1 (from Carlo Street to Corning Avenue) and it is anticipated to be completed late 2017.

- **Utility Underground 2017 Project (CIP 3425):** This project provides preliminary engineering, support services, and coordination to the Pacific Gas & Electric Company (PG&E) for the creation of a new Rule 20A Utility Underground District (UUD) on Corning Avenue from South Main Street to North Abel Street and South Main Street from Corning Avenue to East Curtis Avenue. The new underground district will utilize PG&E’s Rule 20A funds for construction of the utility undergrounding of existing overhead pole mounted electric, cable, and AT&T lines along South Main Street and Corning Avenue. The City Council approved the Resolution creating the UUD on January 3, 2017. Staff has submitted documentation to PG&E to enter the Rule 20A program. PG&E will start the design process in late 2017.

- **TASP Underground Utility District (CIP 4281):** This project provides for the creation of a new utility underground district to underground existing overhead PG&E, Cable TV and AT&T lines within TASP redevelopment area along South Milpitas Boulevard and Montague Expressway. The new district would be administered by the City and the design and construction to be completed by PG&E using the City’s and County’s Rule 20A funds. VTA is installing the new undergrounding substructure for AT&T and PG&E (at risk) as part of the BART project at their cost. The City Council approved the Resolution creating the UUD on January 3, 2017. Staff is working with PG&E to implement the requirements for the district.

- **Electrical Vehicle Charging Stations (CIP 4276):** This project provides electrical charging stations to the public at City Hall parking lot and Milpitas library garage. Two Level 2 electrical vehicle charging stations have been installed and activated at the City Hall parking lot. The electrical charging stations in Milpitas Library Garage will be installed and energized in spring 2017.

- **Daniel Court Water Main & Service Replacement (CIP 7110 & 7131):** This project will provide for the construction of waterline and service laterals and replacement of water meters and fire hydrants on both sides of Daniel Court, east and west of N. Park Victoria Drive. The engineering design started January 2017 and it is anticipated to be completed at the end of May.
- **Well Upgrade (CIP 7076):** This project will provide for a new well within the City’s New McCandless Park which is currently under design and is located east of McCandless Drive, south of Montague Expressway, in the Transit Area. The design and installation of the well will be executed in phases. Phase 1 design services will provide for the evaluation of the hydrogeologic characteristics of the McCandless site, including installation of a test bore hole. The contract agreement with designer was approved by the City Council on March 7, 2017. Design phase is anticipated to start mid to late March 2017.

### Land Development (Private):

| UNDER CONSTRUCTION (ONSITE & OFFSITE) ACTIVE PROJECTS |
|-----------------------------------------------|-------------------|
| **DESCRIPTION**                               | **IMPACT**         |
| **Harmony, DR Horton, McCandless Drive (PJ2709):** This project will construct 276 single family attached homes and condo units off the south west portion of McCandless Drive. McCandless Drive is now open for through access to the public. Montague Expressway frontage improvements are nearing completion. | none |
| **District 2, Taylor Morrison, McCandless Drive (PJ2825):** This is a medium density residential project off the northerly portion of McCandless Drive. Off-site improvements at McCandless Drive are substantially complete. McCandless Drive is now open for through access to the public. | none |
| **Metro, Pulte home, 1401 South Milpitas Boulevard (PJ 1211):** This project will construct 318 residential units in total, at the intersection of the future Garden Street and South Milpitas Boulevard. Lot 1 is under construction. Public improvements for South Milpitas Boulevard and Garden St. are under construction. Lots 2-4 are in the building permit stage. The irrigation plans have been resubmitted by HMH with responses to Judy’s comments. The landscaping plans have a retaining wall whose footing is encroaching into a sidewalk easement and there are several landscaping walls within the public service easements so we are working on an encroachment agreement for these facilities. | Traffic delays on South Milpitas Boulevard |
| **Cobblestone, Tripointe, 345 Los Coches Street (PJ2792):** This project will construct 32 single-family residential units on 2.655 acre property at the northwest corner of Milpitas Boulevard and Los Coches Street. Improvements along the South Milpitas Boulevard and Los Coches Street frontages are complete but not yet accepted. Preparing Faithful Performance bond reduction resolution and initial acceptance. This item will be presented to City Council on April 4, 2017 with the release of Labor and Materials Bond and Monumentation Bond 6 months after initial acceptance, and to return the security deposit. | No traffic impact |
| **Orchid, DR Horton, 31 South Milpitas Boulevard (PJ2812):** This project will construct 80 single-family detached units with related infrastructure (water, sewer, storm drain and other utilities and improvements along Los Coches Street and Milpitas Boulevard). An Encroachment Permit for all off-site improvements and a site improvement permit for onsite improvements have been issued. The recycled water deferred submittal has been approved by SBWR. Frontage improvements and paving operations are complete. Trail improvements are under construction. | none |
| **PACE, Trumark, 324 Montague Expressway (PJ2762):** This project will construct 42 single-family detached units and 91 condominium units at the corner of Trade Zone Boulevard and Montague Expressway. Improvements along Trade Zone Boulevard and Montague Frontage are complete but not accepted. The project is nearing completion. The building inspector is working on the paperwork for the recycled water system so it can be submitted to South Bay Water Recycling along with the as-built drawings. This item is being prepare for Council Meeting on April to reduce the Faithful Performance Bond to 10% with release of Labor and Materials Bond and Monumentation Bond 6 months after initial acceptance. | No traffic impact |
| Citation 1 (north portion of Piper Drive) (PJ2527):  | No traffic impact |
| This project will construct 94 townhouse units and two apartment buildings, totaling 638 units. On-site construction is complete. Off-site improvements are under construction. City Attorney has provided revisions to the Multi Party C3 agreement. |

| Traverse, K. Hovnanian, 569 Trade Zone Boulevard (PJ2874):  | No traffic impact |
| This project will construct 207 residential townhome units on 12.5 acres of land with new public roadway system and a public park. The project is under construction and the off-site improvements are almost done. |

| Waterstone, Lennar Homes, 1494 California Circle (PJ2830, PJ1160):  | Possible traffic delays along California Circle and I-880 ramp |
| This project will construct 84 single-family residential units on an existing industrial site. |

| District 1, Lots 2, 3A and 4, Lyons, 1320 McCandless Drive, 1425 McCandless Drive and 1310 McCandless Drive/1463 Centre Pointe Drive:  | Possible traffic delays on Great Mall Parkway |
| This project will construct 3 high-density residential and mixed use projects. There is no activity on Lots 2, 3A and 4. |

| Palazzo, KB Homes, 1200 Piper Drive (PJ1051):  | No traffic delays |
| This project will construct 94 townhome-style condominiums at the northeast corner of Piper Drive and Garden Street. It is located in the TASP in the Piper/Montague Sub-district. The project is nearly complete. |

| UNDER CONSTRUCTION (ONSITE ONLY) |
| Murphy Ranch Townhomes, Lyons, and Coyote Creek (PJ2740):  | No traffic delays |
| This project will construct 285 townhomes (approved as part of the Fairfield Project). Fine grading, underground work and site improvement construction are mostly completed. The developer will coordinate traffic control with the adjacent Fairfield project. Off-site improvements have been completed and accepted by the Council with Cerano Apartments. Final Occupancy punchlist (RW closeout) is in progress. |

| District 1, Lyons (north portion of McCandless Drive) (PJ1134):  | Traffic delays on Great Mall Parkway |
| This project is a mix-use commercial and high density residential development located at the northerly portion of McCandless Drive. On-site construction is on-going. |

| Countryside Estates (PJ2889):  | No traffic delays |
| This project will construct 6 hillside homes. The contractor will be providing traffic control, for work on Country Club Drive, when construction starts. |